Record Rules. These items will however be subject to cost audit only after the Cost Accounting Records Rules in respect of such items are notified in consultation with the industry and other concerned organisations.

Cost Audit of Small Scale Units Question

4805. SHRI RAJNI RANJAN SAHU: Will the PRIME MINISTER be pleased to state:

(a) what are the names of the units in the small scale sector which have been subjected to Cost Audit and what are the names of the small scale sector units which have been left out;

(b) what are the names of the units in the Fertilizers, Drugs and Chemical sectors which have been subjected to Cost Audit and since when;

(c) what remedial steps are taken to inquire into wrong inclusion of small scale sector units; and

(d) whether it is fact that certain audit reports are missing from the offices?

THE MINISTER OF STATE IN THE MINISTRY OF LAW , JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): (a) Maintenance of cost books of accounts and cost audit are not applicable to small scale industrial undertaking as defined in Rule 2 of various Cost Accounting Records Rules issued under Section 209(1)(d) of the Companies Act, 1956.

(b) The names of companies manufacturing bulk drugs, drug Formulations, Chemicals & Fertilizers to whom annual cost audit orders were issued are given in the Annexure. (*See Appendix* 173, *Annexure No.* 96). These orders were issued during March to May, 1994 and in March, 1995.

(c) Cost Audit Order if any, issued to small scale industrial undertaking as defined in Rule 2 of various Cost Accounting Records Rules is either withdrawn or exemption granted whenever it is brought to the notice of the Government.

(d) No, Sir.

Small Scale Units Brought Under Cost Audit

4806. SHRI RAJNI RANJAN SAHU: Will the PRIME MINISTER be pleased to state:

(a) what is the policy regarding Cost Audit on the small scale sector units;

(b) how many small scale sector units have been brought under Cost Audit so far and what are their names;

(c) whether it is a fact that a number of small scale units in the drug sector have been brought under Cost Audit;

(d) whether instances of extorting money from such units by some people of Cost Audit branch have been brought to the notice of Government; and

(e) if so, the action taken/proposed to be taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): (a) to (c) Maintenance of cost books of accounts and cost audit are not applicable to small scale industrial undertaking under the various Cost Accounting Records Rules issued under Section 209(1) (d) of the Companies Act, 1956. A small scale industrial undertaking for this purpose has been defined as a company whose aggregate value of the machinery and plant installed therein does not exceed sixty lakh rupees as on the last day of the preceding financial year and the aggregate value of the realisation made by the company from the sale or supply of all its products during the preceding financial year does not exceed ten crore rupees. Hence, cost audit order if any, issued to such units is either withdrawn or exempted whenever it is brought to the notice of the Government.

(d) No, Sir.

(e) Does not arise.